

# PARK 500 - OVERVIEW

Part Confidential  
Morris v. ABC

## HISTORY

Park 500 started production in 1975 with the installation of line 1 at a cost of \$55 million, followed by line 2 in 1978 at a cost of \$82 million. A third line was installed in 1983 at a cost of \$190 million. Line 3s cost included electricity cogeneration equipment. The purpose of Park 500 is to produce a reconstituted sheet of tobacco using a sheet forming process which is similar to a paper making process. The original process was purchased from Schweitzer Paper (Kimberly Clark). Lines 1 and 2 are similar to the Schweitzer process at LTR in LeMans, France, while line 3 incorporates several process innovations designed by Philip Morris.

## INGREDIENTS

Tobacco accounts for approximately 90% of the finished sheet, the remaining 10% consist of chemical additives which include: 1) humectants to keep the sheet pliable, 2) a spoilage control agent and 3) flavoring agents. The tobacco components consist of 69.5%, stems 19.5%, tobacco scrap and 11.0% class tobacco. The stems come primarily from LPF, scrap and class materials come from just about all USA plants including MZM. These materials are also purchased from outside of PM.

## OPERATIONS

Park 500 operates 24 hours a day 7 days a week, approximately 335 days per year. It is a three rotating shift operation with the exception of Receiving and Shipping, which are daylight only. There are 239 variable people, 95 fixed multicraft, 18 fixed boiler operators, 4 fixed G/L - F/Ls and 202 salaried employees. The annual fixed operation budget for 1991 is \$60 million, the variable budget is \$28 million. The October YTD operating cost/lb for RL is \$0.9026. Budgeted production for 1991 is 144.5 million lbs, third revised production is 150 million lbs.

## KEY PEOPLE

|                                 |                  |
|---------------------------------|------------------|
| Site Manager -                  | John Whitman     |
| Manufacturing Operations Mgr -  | Jimmy Narron     |
| Operations Services Manager -   | Dan Westra       |
| Maintenance & Engineering Mgr - | Gordon McConnell |
| Employee Relations Manager -    | Charlie Martin   |